Gannett

Angela Fu <afu@poynter.org>   Wed, Oct 12, 2022 at 4:10 PM
To: Angela Fu <afu@poynter.org>

GANNETT

A Message from Mike Reed

Team -

These are truly challenging times. The company continues to face headwinds and uncertainty from the deteriorating macroeconomic environment which has led the executive team to take further immediate action.

Before I share the specifics, I want to thank you all for your hard work and commitment. Whether you're part of the Digital Marketing Solutions team, Gannett Media or USA TODAY Network Ventures, we will navigate this unpredictable climate by working together.

We pledged transparency – and while these actions are tough, I want to be explicit about what we're doing and why. In order to sustain the mission of our company to empower communities to thrive, sustain local journalism and support small businesses with digital solutions, we need to ensure our balance sheet remains strong.

These are not decisions we made lightly, but they are critical for our long-term success. Here's what you can expect:

- **401(k) Match Suspension**
  Gannett will temporarily suspend the 401(k) match for contributions made on or after October 24, 2022. This decision does not impact employee contributions, just the Company match. Employees may continue their contributions on a pre-tax basis, which reduces taxable income or on an after-tax basis to a Roth 401(k).
- **December Mandatory Leave**
  Employees must take 5 days of unpaid leave during the month of December. The mandatory leave will occur over a two-week period from December 19-30 (the holiday observance of Christmas will be paid). Teams will work with their managers to determine scheduling to ensure staffing and coverage as appropriate. *HR will provide specific guidance to ensure FLSA compliance.*

- **Voluntary Severance Offer (VSO)***
  We are offering to pay severance to an employee in exchange for their voluntary resignation and execution of a separation and release agreement. This program provides flexibility for those who may wish to transition. Employees interested in the VSO must express interest by October 18 and work through November 4, 2022. **In accordance with Gannett's 2022 severance program.*

- **Hiring Pause**
  Gannett will cease overall hiring with the exception of key revenue and operating roles as well as positions deemed critical.
- **Voluntary Options**
  The following options are also available to employees who wish to reduce their work hours or take an extended break to meet their personal needs.
    - **Adjusted Work Week**
      Employees may request an adjusted work schedule with fewer hours, commensurate with a 20% reduction in compensation, and maintain full-time employment status. *Please note this is not a compressed work week where employees work their normal schedule in fewer days.*
    - **Unpaid Sabbatical**
      Employees may request an unpaid sabbatical from 1 month to 6 months in duration. As an approved personal leave, employees may continue health benefits coverage by paying their portion of premiums directly to Fidelity.

This is a lot to process. This mix of temporary and permanent actions allows us the near-term flexibility we need to drive improvement while preserving our ability to quickly pivot as we see the economy and areas of our business progress.

I recognize that these decisions take a financial and emotional toll but mitigating these economic pressures now will benefit Gannett's future. The days and weeks ahead will require close partnership with managers and our human resources team to support you as we implement these measures.

Our company is resilient, our people are the best in the industry and my confidence in what we can accomplish as Team Gannett has not wavered. If you missed the Town Hall where I address these actions, you can watch the replay here. You may find additional information at hr4u.

My sincere gratitude for all you do,
Mike

Please note that this information may or may not apply to you if you are covered by a collective bargaining agreement, represented by a union or work for an entity that is part of a Joint Operating Agreement.